

## RUBBER PRODUCTION

*Exchange of notes at Washington March 3, 1942*

*Entered into force March 3, 1942*

*Supplemented by agreement of October 3, 1942<sup>1</sup>*

*Modified by agreement of February 8, 1944<sup>2</sup>*

*Extended by agreement of June 27 and August 14, 1945<sup>2</sup>*

*Expired June 30, 1947*

57 Stat. 1318; Executive Agreement Series 371

*The Brazilian Minister of Finance to the Acting Secretary of State*

[TRANSLATION]

EMBASSY OF THE  
UNITED STATES OF BRAZIL  
WASHINGTON, *March 3, 1942*

MR. ACTING SECRETARY OF STATE:

I have had the honor to exchange notes with Your Excellency today<sup>3</sup> referring to the creation of a Brazilian development organization to which a credit of 100 million dollars will be extended by the Export-Import Bank. This Brazilian organization has been established in consonance with resolution II of the Third Consultative Meeting of Ministers of Foreign Affairs of the American Republics at Rio de Janeiro,<sup>4</sup> in virtue of which the Brazilian Government resolved to collaborate with the said republics in the greatest possible degree for the mobilization of their economic resources with a view especially to increasing the production of strategic materials essential to the defense of the hemisphere against armed aggression and to the maintenance of the economy of Brazil and of other American republics.

One of the concrete projects with respect to the development of the resources of Brazil which has been discussed between Your Excellency's Government and the Brazilian Economic Mission, which I have the honor to head, is the one relating to the increase of the production of rubber in the Amazon Valley and adjacent regions. Our discussions on this subject have now reached the stage where I believe it is possible to suggest the following points for the said project:

1. The Rubber Reserve Company, in order to cooperate with the Brazilian Government in the development of rubber in the Amazon Valley

<sup>1</sup> Not printed; for summary of agreement, see 1942 For. Rel. (V) 719.

<sup>2</sup> Not printed.

<sup>3</sup> EAS 370, *ante*, p. 913.

<sup>4</sup> For text, see *Department of State Bulletin*, Feb. 7, 1942, p. 119.

and adjacent regions, will establish a fund of five million dollars to be used to increase the production of rubber in the said valley and regions. It is to be hoped that the expenditure of this sum will result in the increase of exportation of Brazilian rubber to the United States of America, in an annual volume of not less than 25,000 tons.

2. The Bank of Brazil or other department or agency of the Brazilian Government will become the sole and final purchaser of rubber, both for exportation and for domestic consumption, with the exception of the Rubber Reserve Company which, in accord with the Bank of Brazil, will be able to purchase rubber for its own account. The Brazilian Government after reserving quantities adequate for its domestic needs will establish export quotas with a view to furnishing to the United States of America the greatest quantity of rubber.

3. The Rubber Reserve Company will make a five-year agreement with the Bank of Brazil or other department or agency of the Brazilian Government for the acquisition of rubber produced in Brazil.

4. The Rubber Reserve Company will cooperate with the Instituto Agrônômico do Norte in the solution of the scientific problems of the development of rubber production in the Amazon Valley and adjacent regions.

5. The Brazilian Government will cooperate fully with the Government of the United States of America to increase the production of crude and manufactured rubber in Brazil.

6. In compliance with resolution XXX approved in the Consultative Meeting of Ministers of Foreign Affairs of the American Republics held at Rio de Janeiro,<sup>5</sup> the Government of the United States of America will furnish the services of the Division of Health and Sanitation established by the Office of the Coordinator of Inter-American Affairs for the development works of the Amazon Valley and adjacent regions, with the objective of carrying out there a program of improvement of sanitary conditions in collaboration with official agencies of other American republics.

In the name of the Brazilian Government and in accordance with the understandings which the Brazilian Economic Mission reached with representatives of the Government of the United States of America, I have the honor to request Your Excellency to be good enough to give consideration to the above-mentioned proposals.

I avail myself of the opportunity to present to Your Excellency the assurances of my highest consideration.

A. DE SZA COSTA

His Excellency

SUMNER WELLES

*Acting Secretary of State  
of the United States of America*

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<sup>5</sup> For text, see *ibid.*, Feb. 7, 1942, p. 137.

*The Acting Secretary of State to the Brazilian Minister of Finance*

DEPARTMENT OF STATE

WASHINGTON

*March 3, 1942*

EXCELLENCY:

I acknowledge the receipt of your note of March 3, 1942 outlining a program for the development of the rubber of the Amazon Valley and adjacent regions as a project for further economic cooperation between the United States and Brazil in furtherance of Resolution II of the Third Meeting of the Ministers of Foreign Affairs of the American Republics at Rio de Janeiro.

I am pleased to inform you that the appropriate agencies of the Government of the United States have considered this proposal and are prepared to undertake this development in accordance with the specific proposals with respect thereto mentioned in your note.

I believe that this program will be a substantial step forward in developing mutually advantageous economic relations between our two countries as contemplated by the Resolution adopted at the conference at Rio de Janeiro.

Accept, Excellency, the assurances of my most distinguished consideration.

SUMNER WELLES

*Acting Secretary of State  
of the United States of America*

His Excellency

Dr. ARTHUR DE SOUZA COSTA

*Minister for Finance of Brazil*